

CPMG

Capital Project Matching Grant Program



**State of Alaska
Department of Community & Economic Development
Division of Community & Business Development**

**PO Box 110809
Juneau, Alaska 99811-0809
(907) 465-4721**

Grantee Introductory Handbook

Table of Contents

INTRODUCTION	2
Internet Access to Grant Information	3
PART I: Pre-Agreement Requirements	4-15
Program Overview	4
Local Share	5
Public Meeting	6
Resolutions	6
Grant Document Signatory Authority	6
Grant Negotiation	6
Preventive Maintenance Plan	7
Site Control	8
Insurance	10
Labor Standards	11
Fire Marshal	12
Permits	13
PART II: The Grant Agreement	16-19
Standard Provisions	16
Scope of Work / Budget	17
Recordkeeping & Reporting Requirements	17
Allowable Costs	17
Allowable Administration Costs	18
Payment Method	19
PART III: Close-Out	20
Close-Out Letter	20
Audit Requirements	20

INTRODUCTION

Congratulations! Your community has been determined by the State Department of Community and Economic Development to be eligible for the Capital Project Matching Grant (CPMG) Program. You have been assigned a Grant Administrator in the Fairbanks or Juneau office whose primary task is to try to make this program as easy to work with as possible. We will try to keep your paperwork to a minimum, explain all the rules and regulations and make sure you have all the help you need in meeting the program requirements.

If your community is in the Anchorage, Kenai, Kodiak or Mat-Su region, your Grant Administrator is **Jenn Hall-Brown** at 465-4758.

If your community is in the Aleutians, Bethel, Dillingham, Wade Hampton, NW, Nome or Lake & Pen region, your Grant Administrator is **Geri Henricksen** at 465-4814.

If your community is in the Yukon-Koyukuk, North Slope or Interior region, your Grant Administrator is **Jean Mason** at 465-5647.

If your community is in the Fairbanks region, your Grant Administrator is **Judy Haymaker** at 452-4468.

If your community is in the Southeast region, your Grant Administrator is **Tena Hart** at 465-4731. Tena is also the lead Grant Administrator for the CPMG Program and supervises Geri and the Clerk position.

Also involved with the CPMG Program is **Melanie Greer** at 465-5541. Melanie supervises Jenn and Jean so if they aren't available, you may contact her for assistance.

Juneau Grants Office
PO Box 110809
Juneau, AK 99811-0809
(907) 465-4721
Fax: 465-5867

Fairbanks Grants Office
209 Forty Mile Avenue
Fairbanks, AK 99701-3110
(907) 452-4468
Fax: 451-7251

INTERNET ACCESS TO GRANT INFORMATION

What is the Department's web site address?

Our web site address is: **www.dced.state.ak.us/cbd/**

This site offers information on all of the programs and services available through our Department.

All State employees can be reached via email. The email addresses for DCED employees follows this format: **firstname_lastname@dced.state.ak.us**

What information is available online pertaining to the CPMG Program?

We have a comprehensive Grants Database available online at:

www.dced.state.ak.us/cbd/commdb/CF_Grants.htm

The following grants are included in the online database:

- ◆ Capital Matching Grants (Municipal & Unincorporated)
- ◆ Community Development Block Grants
- ◆ Community Priorities Program Grants
- ◆ Legislative Grants (Municipal & Unincorporated)
- ◆ Mini-Grant Assistance Grants
- ◆ National Petroleum Reserve-Alaska Grants

You can retrieve grants information for one or more communities from the list provided. Data is presented in an easy to read table format. Information includes the fiscal year, grant type, brief project description, current grant status, lapse date, amount awarded, required local match, and current fiscal data such as the amount disbursed, reported and the balance remaining. Another helpful service on this site is the ability to email the grants information in an Excel spreadsheet format.

What other grant funding information is available?

If you are seeking grant or loan funding for a project, be sure to check out the *Alaska Economic Development Resource Guide* (EDRG). The EDRG is designed to bring together in one place an inventory of programs and services which can provide economic development assistance to Alaska communities and businesses. Over 120 financial and technical assistance resources are identified in the guide. The web site address is: **www.dced.state.ak.us/cbd/edrg/EDRG.htm**

Federal and State agencies as well as national and Alaska private nonprofit agencies are represented. This directory primarily describes those programs which focus on the creation and support of new industries, businesses and long-term jobs. It is designed to help communities match their economic development strategy with existing program resources that could support that strategy.

PART I

Pre-Agreement Requirements

PROGRAM OVERVIEW

FUND APPROPRIATION -- Each year, a lump-sum appropriation is made into both Capital Project Matching Grant Funds - one fund for municipalities and one fund for unincorporated communities - both of which are administered by the Department of Community and Economic Development. The appropriation is then allocated to individual community grant accounts as set out in AS 37.06.010 (for municipalities) and AS 37.06.020 (for unincorporated communities).

ANNUAL APPLICATION PROCESS -- By October 1, each eligible community submits an application to the Department that identifies priority projects to be funded from their account in the following Fiscal Year. Thus, applications for projects to be funded in FY04 must be submitted to the Department by October 1, 2002.

Prior to release of any funds, the projects must be approved by both the Governor and the Legislature. Approved capital projects that are submitted on an application to the Department by October 1 are included in the capital budget bill which the Governor submits each year to the Legislature. The projects are included in the order of priority as specified by the community. After approval of a specific capital project, money is transferred from the grant account to a project account for that project. Expenditures for the project are then made against the balance in the project account, under the provisions of a grant agreement between the community and the Department.

Money may remain in a community's account for up to five years before lapsing back into the general fund. In this manner, a community may accumulate funds to allow financing for larger projects or to allow better long-range planning for a sequence of projects. The balance in the community account accrues interest yearly.

ELIGIBLE PROJECTS -- Eligible projects for this program include "capital projects" that are defined by AS 37.06.090 as a project with a cost exceeding \$10,000 to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment. Ineligible activities include operations and maintenance costs and feasibility studies.

ELIGIBLE COMMUNITIES -- Eligible municipalities are those that were incorporated prior to July 1 of the preceding year or that received Municipal Assistance from this agency during the previous year. Unincorporated communities are eligible only if they are located outside of a borough and met the requirements to receive Revenue Sharing in the preceding year.

TIMELINES -- The Department sends applications out to eligible entities in July of each year. They are due back to the Department on October 1. Approval by the Legislature usually occurs in mid-May. The bill is usually signed and approved by the Governor on June 30. Award notices are sent to communities after the appropriations go into effect, usually on July 1.

LOCAL SHARE (MATCH) REQUIREMENTS

DEFINITION

For each capital project grant that a community receives under the program, AS 37.06.010/020 requires that a local match of the cost be provided by the community. This match is referred to as the "local share" and is the community's contribution toward the project. To determine the amount of local share, the Department utilizes a formula set out in statute.

SOURCE(S)

The local share of the project can be in the form of cash or in-kind contributions such as labor, materials, equipment, land and other grants (except State grants).

CASH MATCH

There are three possible sources of cash match: State, Federal or Community. The only "State" funds that can be used are from Revenue Sharing and Municipal Assistance. "Federal" funds include any federal funding coming into the community for that specific project. "Community" funds include any money the community has contributed towards the project.

IN-KIND CONTRIBUTIONS

When computing the in-kind contributions to the project, consider the following in figuring out the value:

- ♦ **Materials:** current dollar value
- ♦ **Equipment:** community-established rental rate per hour x number of hours of estimated use
- ♦ **Land:** fair market value of the project site
- ♦ **Labor:** either volunteer* or paid labor from another source of funds may be contributed to the project.

***Use of Volunteer Labor:** Municipalities may use volunteer labor on a project but unincorporated communities must first qualify for an exemption from the US Department of Labor; i.e., libraries, educational and charitable organizations generally qualify as exempt. Donated or volunteer services may be furnished to the Grantee by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or indirect cost. However, the value of donated services may be used to meet matching requirements in accordance with grant provisions.

PUBLIC MEETING

Before completing an application each year, the CPMG recipient must hold a community meeting. The purpose of this meeting is to identify and prioritize the capital projects which the community requests be funded with money from the individual grant account established under this program.

The Priority Project Form, which is a part of the application, will be used to identify the prioritized capital projects; the estimated cost for each; the local share amount for each; and the source of the local share.

RESOLUTIONS

Each CPMG governing entity must pass and submit at least one resolution each year. A resolution is required to be submitted with the application that (1) endorses each project, (2) identifies the priority ranking and (3) states that the community agrees to provide the local share contribution as identified on the Priority Project Form. A sample resolution is part of the application.

If the Grantee is a tribal entity, an additional resolution is required that contains a waiver of sovereign immunity. This resolution should be submitted when the Grantee returns the signed grant agreements. A sample resolution will be provided to each tribal entity that includes the language that must be included to satisfy this requirement.

GRANT DOCUMENT SIGNATORY AUTHORITY

All eligible entities for this program should have a current "Grant Document Authorized Signers" form on file with the Department. The highest ranking official is automatically designated as the person responsible for signing grant documents. The "Signatory Authority" form allows the highest ranking official to authorize other staff to sign grant documents, such as the grant agreement, any amendments and financial reports. The form also identifies Grantee contact information, including mailing address, telephone and fax numbers and e-mail address. Please submit a new form after each election or whenever there has been a change in staff.

GRANT NEGOTIATION LETTER

In July, you will receive an award letter from your Grant Administrator and you may also receive a "negotiation" letter. This letter will remind you of any requirements specific to your project such as site control, permits, etc. This letter will also include any questions about the project that need clarification so that the Grant Administrator can prepare the scope of work and project budget that will be included in the Grant Agreement.

PREVENTIVE MAINTENANCE PLAN

Prior to release of grant funds for expenditure, all Capital Project Matching Grant entities must have established a preventive maintenance plan.

Alaska Statute 37.06.010(i) requires municipalities to document their compliance with this requirement by submitting an "Affidavit of Compliance" to the Department. Alaska Statute 37.06.020(k) requires unincorporated community entities to pass a resolution of compliance.

Each document (Affidavit and Resolution) assures that each entity:

- (1) has a preventive maintenance plan that
 - (A) includes a computerized maintenance management program, cardex system, or other formal systematic means of tracking the timing and costs associated with planned and completed maintenance activities, including scheduled preventative maintenance;
 - (B) addresses energy management for public buildings owned or operated by the entity;
 - (C) includes a regular custodial care program for public buildings owned or operated by the entity;
 - (D) includes preventive maintenance training for managers of public facilities owned or operated
 - (D) includes preventive maintenance training for managers of public facilities owned or operated by the entity and maintenance employees;
 - (E) includes renewal and replacement schedules for electrical, mechanical, structural, and other components of public facilities owned or operated by the entity; and
- (2) is adequately adhering to the preventive maintenance plan.

The Affidavit/Resolution of compliance must be on file in order for any grant payments to be authorized by the Department.

SITE CONTROL

What is site control?

The specific piece of land on which you choose to put your building, road, etc., is your site. Before you begin construction, you need to make sure that you have the legal right to use the site. This legal right is called site control. This right must be formally given in writing; verbal permission is not enough.

Why is site control important?

If you do not have site control and you build the project anyway, you are essentially giving control of the completed facility to the owner of the site. That person will have the right to say who can come onto the property, how the property can be used, and even if the facility can be used at all. It is important to take the time to acquire site control correctly, so that you won't have any legal problems with your site after your project is built.

What level of site control is required?

Site control requirements depend upon the nature of the project. If you are going to construct a building, you should get a lease or deed, so that you have sole control of the land. A lease is a legal contract granting the right to use land for a specific purpose for a specific period of time. The landowner keeps ownership of the land, and the lease holder gets exclusive use of the property. If you are leasing land to build a building on, the period of the lease should be at least for the useful life of the building (generally 20 years). If you need to build something across someone else's land, you should get an easement or right-of-way for the particular use you plan. If you are going to use the land only temporarily, such as during construction, you should get a use permit or license.

It is important that the boundaries of the property be identified and legally described so that structures are built on the right land. It is recommended that the property be surveyed if you are obtaining title to the land by deed or if you are obtaining a long-term lease.

In addition to obtaining control of the land, you should also insure that there is adequate access to the site. It may be necessary to obtain an easement across other property in order to assure legal access to the property being used. Owning the property is useless if you cannot get to it.

What is a legal description?

It is necessary to accurately describe the land in the lease, deed or easement documents. This "legal description" is extremely important because it must accurately identify the land that is being used. A recorded survey plat is the preferred method of describing land. The legal description usually identifies the lot and block number of the site on a survey.

SITE CONTROL, CONTINUED

All site control determinations for DCED Grants are made through the Division of Community and Business Development's Land Management and Mapping Section. Your Grant Administrator will coordinate with that section to help you establish site control for your project.

If land has been transferred from the Federal or State government to another party, the conveyance document should be on record at the appropriate District Recorder's office. The Recorder's office maintains a complete history of land ownership, which is called the chain of title. When a title document is recorded, the information is indexed by tract (location), by grantor (seller) and by grantee (buyer). The public can find documents by accessing the statewide recording system database at any DNR Recording Office or on the Internet at: **www.dnr.state.ak.us/ssd/recoff/search.cfm**

The address of the District Recorder's office serving any given community may be obtained from:

www.dnr.state.ak.us/ssd/recoff/distlist.htm

or

State Department of Natural Resources, Office of the Recorder

550 West 7th Avenue, Suite 1200

Anchorage, AK 99501-3564

(907) 269-8872

If the project is located within a Federal townsite, the BLM Alaska State Office must be contacted. They are responsible for issuing land deeds to Alaskan villages. The trustee owns and manages townsite lands until a deed is issued. Contact the office below to determine if a site is available:

US Department of the Interior

Bureau of Land Management, Alaska State Office

222 W. 7th Avenue, #13

Anchorage, AK 99513-7599

(907) 271-5960

The State Municipal Lands Trustee may need to be contacted if the land to be used is in an unincorporated ANCSA village. The Municipal Lands Trustee holds title in trust for community use and expansion. If you are not sure of the land status, provide your Grant Administrator with a **legal description** of the parcel and a map of the area showing the location of the parcel, and we will request a determination for you. Establishing site control can take time, so if you need help, please alert your Grant Administrator as soon as possible.

INSURANCE

You (the Grantee) may not start work on a project until you have obtained all the insurance required to protect project workers, the general public and your own interests. Insurance can be obtained from a number of different sources.

You should shop around for bids from several companies in order to get the best coverage for the best price. Listed below are the types of insurance that may be required, depending upon the community's needs:

Workers' Compensation Insurance — The Alaska Workers' Compensation Act as governed by State law (AS 23.30) requires each employer having one or more employees in Alaska to obtain workers' compensation insurance, unless the employer has been approved as a self insurer. The cost of a workers' compensation policy (the premium) is based upon the employer's payroll, type of business risk (classification assignment), and the employer's loss history.

General Liability — The Grantee is responsible for obtaining any necessary liability coverage to protect itself and its workers from claims due to accidents.

Vehicle Liability — State law (AS 21.89) requires that all vehicle owners must maintain at least a minimum of insurance coverage against loss from damages arising out of the ownership or use of the vehicle.

Professional Liability Insurance (optional) — The community should consider requiring contractors (including architects, engineers, etc.) to obtain this insurance to cover any negligent acts of the contractor, subcontractor or anyone directly or indirectly employed by them. This coverage provides extra protection for the Grantee.

Proof of insurance may be required prior to release of grant funds, particularly if grant funds will be used to pay labor costs. In this case, your Grants Administrator may ask you to have your insurance company to provide us with a **Certificate of Insurance** on which DCED is named an interested party. This does not mean the State is a party to your insurance contract; it means that we will automatically be notified of any changes in your coverage.

LABOR STANDARDS

There are two ways that labor can be performed and paid under a CPMG Grant: **Force Account** labor or **Contracted** labor. On occasion, Grantees also utilize volunteer labor. Grantees are encouraged to contact the State Department of Labor & Workforce Development's Wage & Hour Division for information on the use of volunteer labor on state-funded projects. The contact number for the State Labor Standards & Safety Chief is (800) 478-2435.

FORCE ACCOUNTING is a term describing a construction project in which the local government (you, the Grantee) serves as the contractor and constructs a project "in-house" using local labor. This applies to all labor, not just construction labor. **In a force account project, workers are hired directly by the Grantee as public employees.**

The Grantee bears the final responsibility for hiring and firing employees, setting wages (wages must reflect the prevailing wage for that type of work for the area), paying wages and making appropriate payroll deductions, purchasing materials, and all aspects of construction. Using the force account method is usually less expensive. However, force accounting is not necessarily the best approach for every community or for every project. Force account projects can be the ultimate test of a community's administrative capabilities.

Two questions should be kept in mind when considering whether or not to use force accounting for a construction project. The first is whether or not the local government is **capable** of handling the technical aspects and labor requirements of the project. The second is whether or not the local government and the community have the **commitment** to provide the labor force, training programs and support necessary to successfully complete a force account project.

One of the major benefits of force accounting is the opportunity to employ and train local residents. A local government should evaluate the size and talents of the resident labor force to determine what part of the job can be done by local residents, and how many people will need to be hired from outside the community.

You must keep very detailed financial records if you will be utilizing force account labor on your project. Information must be maintained about the employee, position (job description, hours and wage rate), as well as standard payroll records (approved timesheets for each employee, hours worked, tax and fringe benefit computation, evidence of payment, etc.)

DAVIS-BACON CONTRACTED WAGES apply when a Grantee chooses to contract out an entire project, without using force accounted labor. This form of labor has extensive requirements, including a formal bid process, construction conferences, certified weekly payrolls and State Department of Labor and Workforce Development's Davis-Bacon wage rates. These rates are included in the Department's Wage & Hour Administration Pamphlet, *Laborers' & Mechanics' Minimum Rates of Pay*. If your project uses Davis-Bacon labor, the contractor will be doing most of the paperwork; however, you must obtain and keep copies of all the contractor's payroll and time records for each employee.

FIRE MARSHAL

All construction, repair, remodel, addition or change of occupancy of any building/structure or installation or change of fuel tanks must be approved by the State Fire Marshal's Office before ANY work is started. The State Fire Marshal reviews and approves all construction on public buildings and fuel tanks to make sure that they are not fire hazards.

Plans and specifications regarding the location of the building or structure on the property, area, height, number of stories, occupancy, type of construction, interior finish, exit facilities, electrical systems, mechanical systems, fuel storage tanks and their appurtenances, automatic fire-extinguishing systems, and fire alarm systems must be submitted by the owner or owner's representative to the State Fire Marshal for examination and approval.

This review does not address structural considerations or accessibility requirements. Mechanical and Electrical review is limited to that which is necessary to confirm compliance with fire and life safety requirements.

A copy of the plan review approval certificate must be posted as required in 13 AAC 55.100(b). **It is prohibited to occupy a building for which plans have not been examined and approved.**

The following information and guidance is offered regarding the plan review and permitting process:

1. Submit a completed plan review application form accompanied by construction documents to the appropriate State Fire Marshal's Office.
2. The construction plans are reviewed after receipt of the plan review fee. All fees are calculated by the Fire Marshal's Office.
3. During the spring/summer preconstruction season, plans should be submitted at least one month prior to the anticipated construction start.

Anchorage Office

5700 E. Tudor Road
Anchorage, AK 99507
(907) 269-5604

Fairbanks Office

1979 Peger Road
Fairbanks, AK 99709
(907) 451-5200

Juneau Office

PO Box 111200
Juneau, AK 99811
(907) 465-4331

PERMITS

Almost all public building projects require some permits. A few permits may come from your local government, but most come from state or federal agencies.

Generally you will need two types of permits: building and operating. You need to get your building permits first, because you can't start construction until you do, but you should start working on getting your operating permits as soon as you can, so you will be able to use your building as soon as it is finished.

Your local government may also require you to submit your plans for review to the planning commission. You may also need to obtain local permits before you build. These might include a building permit, a conditional use permit, a variance or an excavation permit. If you are building on or near a floodplain, you may need to get a flood hazard development permit. Be sure to check with your local government to find out what permits it requires.

Grantees are required to obtain all necessary permits required by law for applicable projects.

The Alaska Department of Environmental Conservation (ADEC) regulates all activities in Alaska that might pollute the air, water or soil. There are dozens of ADEC permits related to constructing and operating public buildings. If you are not sure what ADEC permits you need, you can fill out a questionnaire on their Web site or contact their Compliance Assistance Office at (800) 510-2332 or the ADEC office closest to you for assistance:

State of Alaska Department of Environmental Conservation

Northern Regional Office
610 University Avenue
Fairbanks, AK 99709-3643
(907) 451-2177
Fax: 451-2188

Southcentral Regional Office
555 Cordova Street
Anchorage, AK 99501-2617
(907) 269-7581
Fax: 269-7600

Kenai Office
43335 Kalifornsky Beach Rd. #11
Soldotna, AK 99669
(907) 262-5210 x249
Fax: 262-2294

The following two pages list the names, addresses and telephone numbers for various permitting agencies with the State. This list is not intended to be all-inclusive.

Potential Project Permit Requirements

TYPE OF PERMIT, APPROVALS, ETC.	DESCRIPTION	REGULATORY AGENCY
School Construction	Authority of the Department of Education for review of construction documents for educational facilities.	Department of Education & Early Development 801 W. 10th St. Suite 200 Juneau, AK 99801-1878 (907) 465-2800
Solid Waste Disposal Permit	Permit needed for disposal of solid waste or hazardous material.	Department of Environmental Conservation 555 Cordova St. Anchorage, AK 99501 (907) 269-7581 or 43335 Kalifornsky Beach Rd. Soldotna, AK 99669 (907) 262-5210 or 610 University Avenue Fairbanks, AK 99709 (907) 451-2177
Water Discharge Permit	Permit needed for the disposal of wastewater on land or in waters.	
Plan Review and Approval of Sewerage or Sewage Treatment Works	Plans for the construction, installation, modification or operation of sewerage or sewage treatment works must be approved before construction.	
Plan Review and Approval of Public Water Systems	Engineering plans for the construction, installation, modification or operation of a public water supply system must be approved prior to construction.	
Storage Tank Program		
Food Safety & Sanitation Program	Pre-operation inspection is required to ensure compliance with health and sanitation standards for food service establishments, schools, day-care and pre-elementary schools, hotels and motels, swimming pools and bathing areas, and public toilets.	
Plan Review and Health Inspections of Public Establishments		
Anadromous (Salmon Spawning) Fish Protection Permit	Approval for any work in or near anadromous rivers, lakes or streams.	Department of Fish & Game Habitat & Restoration Division PO Box 25526 Juneau, AK 99802-5526 (907) 465-4105 (or contact local office in Sitka, Anchorage, Fairbanks, Craig, Petersburg or Ketchikan)
Critical Habitat Area Permit	Approval for any work or development in a critical habitat area.	
State Game Refuge Permit	Permit needed if proposing work or development within a designated state refuge or game sanctuary.	
Alaska Coastal Management Certificate of Consistency	Establishes coastal policies, rules, responsibilities; if no local program is approved, State standards will apply for projects in the coastal zone.	Office of the Governor Division of Governmental Coordination 550 West 7th Avenue #1660 Anchorage, AK 99501 (907) 269-7470
Hospital and Health Facility Construction	Authority of the Department of Health and Social Services for licensing and establishing standards for the construction of hospital and health facilities.	Department of Health and Social Services Division of Medical Assistance 4730 Business Park Blvd. #18 Anchorage, AK 99503 (907) 334-2483
Unemployment Insurance	Individuals, companies and organizations who have one or more workers in covered employment for any part of a day must register with the Department.	Department of Labor & Workforce Development Employment Security Division PO Box 25509 Juneau, AK 99802-5509 (907) 465-2712 Workers' Comp. Division PO Box 25512 Juneau, AK 99802-5512 (907) 465-2790 Labors Standards & Safety Div. PO Box 107021 Anchorage, AK 99510-7021 (907) 269-4914
Workers' Compensation Insurance	Any employer with one or more employees working within the state must buy a workers' compensation insurance policy and submit proof of insurance to the Department.	
Certification of Pressure Vessels	To ensure that boiler and pressure vessels and elevator construction, installation and operation conform to regulations.	
Certification of Fitness - Electrical and Plumbing	Certifies the competency of electricians and plumbers.	

Potential Project Permit Requirements (ctd.)

TYPE OF PERMIT, APPROVALS, ETC.	DESCRIPTION	REGULATORY AGENCY
Rights-of-Way Easement	Authorization required for rights-of-way easement and construction or improvements on easements established on State lands.	Dept. of Natural Resources Division of Mining, Land & Water 550 West 7th Avenue #1070 Anchorage, AK 99501-3579 (907) 269-8600
Water Rights Permit	Must obtain permit to use surface or ground water in Alaska.	
Sand and Gravel Extraction	To obtain sand and gravel on State lands for use on the project.	
Clearance Regarding Preservation of Prehistoric and Archeological Resources	Determination of presence/absence of cultural resources on the building site.	AK State Historic Preservation Office, 550 W. 7th Ave. #1310 Anchorage, AK 99501-3565 (907) 269-8721
Life/Fire Safety Plan Check for Construction/ Occupancy of Buildings	Approval of building plans is required for fire protection and safety. This applies to commercial, industrial business, institutional or other public buildings or residential buildings containing four or more dwelling units. Construction, repair, remodel, addition or change of occupancy of any building/structure as listed above, or installation or change of fuel tanks must be approved by the State Fire Marshal's office prior to any work is started.	Department of Public Safety Division of Fire Prevention 5700 E. Tudor Road Anchorage, AK 99507 (907) 269-5604 or PO Box 111200 Juneau, AK 99811-1200 (907) 465-4331 or 1979 Peger Road Fairbanks, AK 99709 (907) 451-5200
Handicapped Accessibility	Review and approval of plans for buildings and facilities with respect to handicapped access.	Department of Transportation and Public Facilities Right-of-Way Section Central Region PO Box 196900 Anchorage, AK 99519-6900 (907) 269-0682
Driveway Permit	Permit required to construct and maintain a driveway or approach road on highway right-of-way.	
Discharge of Dredged or Fill Material into U.S. Waters	Permit required for the discharge of any dredged or fill material in US waters, including wetlands. Permit cost is \$100 for commercial use or \$10 for noncommercial use.	FEDERAL AGENCIES US Army Corps of Engineers Alaska District PO Box 6898 Elmendorf AFB, AK 99506-6898 (907) 753-2520
Structures or Work in/ or Affecting Navigable Waters	Permit required for any work or placement of structures in US waters.	
National Wildlife Refuge Land - Special Use Permit	Permit required for easements, roads or utilities in Wildlife Refuge Lands.	US Fish & Wildlife Service Division of Realty 1011 East Tudor Road Anchorage, AK 99503 (907) 786-3909
Oil Storage Facilities - Spill Prevention Control Counter-Measures Plans	Approval required for onshore and offshore oil storage facilities. Also contact the Alaska Dept. of Environmental Conservation, Compliance Assistance Office at (800) 510-2332.	US Environmental Protection Agency Region 10, 1200 Sixth Ave. Seattle, WA 98101 (800) 424-4372
Structures Which May Interfere With Airplane Flight Paths	Any construction or alteration of any structure, roadway, overhead wires and so on which may interfere with airplane flight paths must be reported to the Federal Aviation Administration.	US Dept of Transportation Federal Aviation Administration Alaskan Regional Office Air Traffic Division 222 West 7th Avenue #14 Anchorage, AK 99513-7587 (907) 271-5464

PART II

The Grant Agreement

STANDARD PROVISIONS

Your grant agreement with the Department will include "Standard Provisions." When you sign your grant agreement, you are certifying that you fully understand and will comply with these provisions, so it is very important that you read and become familiar with them. Everyone involved with the project on an administrative level should be familiar with these provisions. Some of the provisions are of particular importance and are identified below.

Article 5. Access to Records. *"The State shall have full access and the right to examine, excerpt, or transcribe any pertinent documents, papers, records, and books of the Grantee, and of persons or organizations with which the Grantee may contract, involving transactions related to the project and this Grant Agreement."* It is important that you maintain complete records on the project to provide to the Department upon request. All grant files must be retained for at least three years from completion of the project. In addition, your Grant Administrator may schedule a visit to your community to review project files, see the site and take photographs for your file.

Article 6. Reports. *"The Grantee, at such times and in such forms as the Department may require, shall furnish the Department with such periodic reports as it may request pertaining to the activities undertaken pursuant to this Grant Agreement."* When you sign the grant agreement, you are agreeing in part to furnish the required reports under this grant.

Article 11. Amendments and Modifications. *"The Grantee or the Department may request an amendment or modification of this Grant Agreement. However, such amendment or modification shall not take effect until approved, in writing, by the Department and the Grantee."* If you wish to change your project in any way, please request approval from your Grant Administrator in writing.

Article 30. Equal Employment Opportunity (EEO). *"The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood."* The Grantee must display EEO posters (your Grant Administrator can obtain these for you) where they can easily be viewed by all employees and applicants for employment. All solicitations and advertisements for employees to work on State-funded projects must state that the Grantee is an equal opportunity employer. The EEO provisions must also be included in every contract relating to this grant agreement, including those entered into by any of its contractors, so that those provisions will be binding upon each contractor and subcontractor.

Article 34. Current Prevailing Rates of Wage. *"Certain grant projects are constrained by the provisions of AS 36. PUBLIC CONTRACTS."* Please contact your Grant Administrator if you have any questions on this requirement or its applicability to your project.

SCOPE OF WORK / BUDGET

Attachment A to the Grant Agreement is called "Scope of Work." It includes the following elements:

Project Description -- This is a narrative description of the project. As this will be written by the Grant Administrator, it is important that you read it before signing the grant agreement. Your signature on the grant agreement indicates that you agree with this narrative, among other things.

Project Budget -- This section includes the budget narrative showing the use of grant funds, matching funds and the total project cost. Certain budget modifications can be made as the project progresses. These can be discussed with your Grant Administrator when the need arises.

Forms Packet -- This includes a sample of the financial reporting form. You can also obtain a copy of this form electronically if you wish.

RECORD KEEPING & REPORTING REQUIREMENTS

The Grantee must establish and maintain separate accounting for the use of CPMG grant funds. The use of CPMG grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant.

The Grantee shall submit a CPMG Financial /Progress Report Form each month during the life of the grant agreement. CPMG Financial/Progress Report forms are due fifteen (15) days after the end of the month being reported.

You must keep records of all the expenditures related to your CPMG project and make these available to your Grant Administrator upon demand. These records should include all invoices and bills along with proof of payment (copies of checks); copies of payroll records including signed timesheets, payroll checks and fringe benefit costs. These records should be kept separate from expenditures made for other projects or for normal business operations.

Do not submit copies of supporting documentation with your monthly Financial/Progress Reports. Documentation will be requested only if there is a question on grant expenditures or local share contributions. Your Grant Administrator may review these documents during an on-site visit.

ALLOWABLE COSTS

Any costs identified in the Grant Agreement under Scope of Work are generally allowable and can be submitted for reimbursement with CPMG funds. If you are considering a purchase under your grant and you are not sure if it is allowable under your budget, ask your Grant Administrator *before* making the purchase. This way, you can avoid having any of your expenditures disallowed which would result in you, the Grantee, having to pay for them out of non-grant funds.

ALLOWABLE ADMINISTRATION COSTS

Administration costs may not exceed 5% for equipment purchase projects and 10% for all other projects under the definition of a capital project. Allowable administrative costs are those costs necessary to administer the grant project, including the following:

Advertising: When incurred for the recruitment of personnel, the procurement of goods and services, and for any other specific purposes necessary to meet the requirements of the grant-funded activity.

Audits: Provided that the audit is performed in accordance with the Single Audit Act as implemented by Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Generally, the prorated cost for auditing this grant program only is allowable.

Insurance: The cost of insurance required or approved and maintained by the Grantee, pursuant to the grant award (i.e., general liability insurance, workers' compensation, etc.)

Materials & Supplies: If necessary in administration of the grant (including freight charges), such as office supplies, postage, and rental or purchase of equipment.

Office costs: Prorated costs for communication services (telephone, mail, messenger, etc.) and rental (but not purchase) of office space (see Rental Costs below).

Professional Services: Administrative services performed under third-party contracts or agreements, including general legal services, accounting services and audit services.

Program Management: Reasonable costs of overall program management, oversight and coordination including wages, benefits and related costs.

Rental Costs: Rental costs for office space and equipment are allowable to the extent that the rates are reasonable in light of such factors as: rental costs of comparable property, if any; market conditions in the area; alternatives available; and, the type, life expectancy, condition and value of the property leased. Rental costs are allowable only up to the amount that would be allowed had the Grantee continued to own the property.

Staff salaries & benefits: Salaries and fringe benefits for employees engaged in administration of the grant. Charges for salaries and wages will be based on payrolls documented in accordance with generally accepted practices of the Grantee and approved by a responsible official of the Grantee.

Training: The cost of training provided for employee development is allowable only with prior approval from the Department.

Travel: Travel costs incurred by employees for official business in carrying out the grant activity. This includes transportation, lodging, subsistence and incidental expenses. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip, and results in charges consistent with those normally allowed in like circumstances in non-grant-sponsored activities.

PAYMENT METHOD

COST REIMBURSABLE -- CPMG grants are cost reimbursable. This means that you (the Grantee) pay for your expenditures out of your own funds. Then, when you submit your monthly requests for reimbursement and progress reports to your Grant Administrator, showing the expenditures which you have made during the month, we will process them for payment and you will be issued a check.

Once your Grant Administrator receives a complete report from you and approves it for payment, our Fiscal Section has up to 30 days to issue the check. The process does not usually take this long, however, it is important to realize that it can and sometimes does. If this delay will cause a hardship for you, there are several alternatives identified below that may be authorized on a case by case basis.

DIRECT VENDOR PAYMENT (DVP) -- When Grantees do not have enough funds available to make large purchases (i.e., building materials, prepackaged buildings, insurance coverage), the Department may authorize a Direct Vendor Payment. All DVPs will be at the discretion of the Department; and will be authorized only when, in the judgment of the Department, the Grantee is unable to secure the purchases through cost reimbursable means.

Before a DVP can be considered, the Grantee must request the payment on a "Request for DVP" form, which identifies the name of the vendor to be paid; the vendor's address; the vendor's federal tax identification number; and the amount of the payment. This form must be accompanied by an invoice from the vendor that identifies specifically what is being paid for.

ADVANCES -- If neither cost reimbursement or a Direct Vendor Payment is workable, the Department may advance to the Grantee an amount not to exceed a projected 30-day cash need or 20% of the grant amount, whichever is less. Before the Department will issue an advance, the Grantee must submit a "Request for Advance Payment" form for approval that (1) justifies the need for the advance, (2) includes documentation of costs associated with the advance, and (3) provides a brief narrative on how the advance will be used. All advances will be recovered with the next Financial Reimbursement Request. Should earned payments during the term of this Grant Agreement be insufficient to recover the full amount of the advance, the Grantee will repay the recovered amount to the Department when requested to do so by the Department or at termination of the Grant Agreement.

The Department may make subsequent advances in a similar manner. Before doing so, however, the Grantee must be current in its submission of all Financial and Progress reporting.

ELECTRONIC FUNDS TRANSFER -- Some Grantees may qualify for direct deposit of their reimbursement payments if their banking institution participates in the State Electronic Data Interchange (EDI) system. If you are interested in direct deposit, please contact your Grant Administrator. We will work with our Fiscal Section to determine if this option is available to you.

PART III

Close-Out

CLOSE-OUT LETTER

The final act of your grant will be the close-out. Grants are usually closed out by mutual agreement after the project has been completed in compliance with the Grant Agreement and all of the funds are expended, accounted for and reimbursed. After you have submitted your final Financial Report, your Grant Administrator will notify you by letter when your Grant Agreement has been officially closed-out.

AUDIT REQUIREMENTS

Grantees must comply with the audit requirements established by 02 AAC 45.010, set forth in Appendix A of the Grant Agreement.

What is a Single Audit? A single audit is the most common type of audit completed for communities that receive state or federal funds. Another name for a single audit is a financial and compliance audit. The auditors examine the financial statements and accounting records of the city, community or other group, as well as assess their compliance with laws, regulations, policies and grant agreements. Audits completed to meet state requirements are usually conducted by Certified Public Accountants (CPA).

Who is required to have an audit completed? An entity that expends **\$300,000 or more** in state financial assistance during the fiscal year is required to have a state single audit completed for that year. "Entity" does not include the University of Alaska or any other state agencies.

What funds are considered "state financial assistance"? This includes state grants, contracts, provider agreements, cooperative agreements, and all forms of state financial assistance to an entity. This also includes all forms of state financial assistance provided through an entity to a third party. According to 2 AAC 45.080, "financial assistance" does **not** include the following: (1) public assistance provided under AS 47; (2) goods or services purchased for the direct administration or operation of state government; (3) moneys advanced to an entity under one or more state loan programs; (4) power cost equalization payments made to an electric cooperative on behalf of its customers; (5) scholarships, loans or other tuition aid provided to students, but paid to an education institution on their behalf. For a third party, "financial assistance" does not include goods purchased from the third party for direct administration or operation of the entity that received financial assistance.

Where do I submit the audit report? The audit report should be submitted to the Office of the Governor, **Office of Management and Budget (OMB)**, Division of Audit & Management Services, PO Box 110020, Juneau AK 99811. In most cases, the final audit report must be submitted to OMB within nine months after the end of the audit period (the entity's fiscal year). Audit questions should be directed to the Single Audit Coordinator at OMB at (907) 465-4666.